

July 22, 2004

Michael K. Powell  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Dear Chairman Powell,

Many of my constituents use prepaid calling cards to control their monthly telephone expenses. Consumers can shop for the best price and monitor the minutes remaining on cards. It's a good way to ensure that telephone costs come in on budget month after month.

With so many other uncertainties in the business world right now, consumers like being able to count on the consistent expense control with pre-paid calling cards. For this reason, I'm very concerned about the Bell Companies wanting to add hidden charges to pre-paid calling cards. The proposal they've made will add charges that are 20 times higher than the charges now included in the pre-paid card's prices.

The Bells are arguing that pre-paid card calls should be considered in-state calls and taxed the same way. In fact, many calls made with prepaid cards are long-distance calls. Consumers call a toll-free number, listen to a message, and then dial their call. Clearly, pre-paid card calls should be assessed only interstate access charges, not the higher in-state access charges.

The Bell Companies make billions of dollars a year. The in-state fees they're seeking bear no resemblance to the Bells' actual costs. They're exorbitant and unnecessary. The Bells are completely compensated by long-distance access fees already in place for calling card calls.

I agree that only interstate access charges should apply to pre-paid calling card calls, not in-state fees. Only if interstate charges are protected can long-distance phone companies continue to offer small businesses and consumers low rates for pre-paid calling cards, a nice respite from inflationary prices in other markets. The FCC should reject the Bells' proposal for adding in-state fees to pre-paid calling cards.

Sincerely,

David Goodman  
State Senator  
3<sup>rd</sup> District

CC: Commissioner Abernathy  
Commissioner Adelstein  
Commissioner Copps  
Commissioner Martin